

# A Study on 360 Degree Appraisal in Information Technology Company, Bhubaneswar

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**Abstract:** In the fast changing business environment, companies became highly competitive, market driven, customer centered and quality conscious. Literature suggests the companies to focus more on its manpower in order to stay afloat in such business scenario. Performance management process helps the organization to earn sustained success. Therefore organizations are continuously trying to enrich its performance management system with the effective and unbiased rating techniques. 360 degree appraisal is one of such appraisal tools which provides an in depth feedback from multiple raters. Gradually this tool is being implemented in many companies. In this paper, an effort is made to study the response of employees of various age, designation and experience groups of an Information Technology (IT) company of Bhubaneswar. The responses of employees were obtained based on various factors such as proper planning, effective execution, feedback, motivation For this study a sample of 89 executives are taken. Convenient sampling method was used to select the sample

**Index Terms:** 360 degree appraisal, performance appraisal, performance management system

## 1. Introduction

Researchers found the contribution of competent employees towards the organization performance. A proper framework of assessment not only gives the organization a clear understanding of how the employees are performing but also reveals the area of development for every employee by giving a clear picture of their strengths and weaknesses. 360 degree appraisal is used by many organizations to assess the performance of the employees. It is also known as multisource feedback system where the feedbacks regarding the performance of the employee are taken from their managers, peers, subordinates, customers etc. According to Jones and Bearley (1996), 360 degree feedback gathers multi-rater assessments on the individual and giving feedback to the recipient. Hoffman (1999) mentioned about self-assessment in the 360 degree feedback system. Das (2015) said that in 360 feedback, the employee receives feedback from the people who around him. Basu (2015) said that 360 degree appraisal is gaining acceptance due to its unbiased opinions.

## 2. Review of Literature

Ashford and Tsui (1991) said about the importance of feedback in identifying strengths and weaknesses. Curtis (1996) mentioned that 360 degree feedback helps in enhancing management style, improve communication, better teamwork and better understanding of strength and weakness. According to Robertson (2008), as a full circle feedback on a particular person is obtained within the organization, therefore this technique is known as 360 degree feedback. Garavan et al. (1997) emphasized that rewarding the managers for their effort helps in the success of the 360 degree appraisal process as a developmental tool. According to Hurley (1998), employees accept multi rating system appraisal because of its fairness in rating. According to Liden and Maslyn (1993) peers may hesitate to evaluate each other as such ratings may disturb a positive group climate. Whereas Locke and Latham (1990) mentioned that the cause of behavior change is not the feedback alone, but the goals that people set in response to feedback. Rai and Singh (2005) had taken a sample of 198 to study the mediating effect in the relation between 360 degree appraisal and employee performance. They found a complete mediating effect by the interpersonal communication and quality of work life. Alexander (2006) mentioned that the right organizational culture enhances the realization of the perceived benefits of 360 degree appraisal. Vashishta (2014) said the 360-degree feedback makes the employees aware of how others perceive them. According to Hallam (2004) the 360 degree appraisal is an important tool of collaborative project which helps in designing, coaching and training. Brutus et.al (1999) studied the impact of 360 degree feedback and developmental goals. They had taken a sample of 2163 managers. They found the impact of direct feedback on goal selection.

## 3. Research Gap

Researchers have studied 360 degree appraisal system from various perspectives but a considerable amount of research was not obtained regarding the opinion of the employees towards the 360 degree practice adopted in the organisation out of the papers reviewed for this study.

## 4. Objectives:

The objectives of this paper are:

- To understand the 360 degree appraisal process from the theoretical perspective of the study.
- To study the opinion of the employees of various experience categories towards the 360 degree appraisal of the organization.

### 5. 360 Degree Appraisal

360 degree feedback which is also known as multi rater feedback and multisource feedback as in this process feedback about the employee is obtained from employees work circle. In this system the employee is assessed by his supervisor, subordinates, peers, clients and even by the customers too with whom he interacts to execute his day to day operation. Chandana and Easow (2015) described 360 degree appraisal as a process where employee receives confidential feedback from people working around him. Similarly Lepsinger and Lucia (1997) defined 360 degree appraisal as a feedback process where perception about a person's behavior and the impact of that behavior on others is collected. According to Kanaslan and Iyem (2016) US navy Pilot Professor Mark Edward coined the term 360 degree. Moxley (1996) said the feedback generated out of 360 degree feedback should be handled properly as it is meant for the development. Rowe (1995) mentioned the role of organisational culture in implementing 360 degree appraisal in any organization.

### 6. Research methods:

**6.1 Design:** This paper is a single cross sectional study. The study was conducted from October 2017 to December 2017.

**6.2 Sampling Technique:** 100 questionnaires were sent to the employees of an IT company in Bhubaneswar out of which 89 employees have returned the filled up questionnaires. Convenient method was used to select the sample.

**6.3 Data Collection:** The data were collected from the respondents based on a structured questionnaire. However during the interview, some questions were also introduced as per the need of the study. Data were collected from both primary as well as secondary sources. The primary sources include both the questionnaire and personal interview method. All the respondents were given questionnaires to fill-up comfortably. The overall coefficient of Cronbach's Alpha was found to be 0.78 which exceeds the minimal recommendations i.e., 0.70. Therefore, the reliability and validity of the instrument is seemed to be sufficient.

**6.4 Data Analysis:** In this study Analysis of variance (ANOVA) is conducted to find out the difference of opinion among the employees of different age, designation and experience groups. The various dimensions of 360 degree appraisal taken are: proper planning, effective execution, feedback and motivation.

### 7. Analysis:

**Table 1: Frequency Age**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 22-26	48	53.9	53.9	53.9
27-30	22	24.7	24.7	78.7
31-36	19	21.3	21.3	100.0
Total	89	100.0	100.0	

Table 1 represents the proportion of various age groups taken for the study.

**Table 2: Frequency Experience**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-4	31	34.8	34.8	34.8
5-8	37	41.6	41.6	76.4
9-13	21	23.6	23.6	100.0
Total	89	100.0	100.0	

Table 2 represents the proportion of various experience groups taken for the study.

**Table 3: Frequency Designation**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Programmer	20	22.5	22.5	22.5
Proj.Analyst	54	60.7	60.7	83.1
Project Manager	15	16.9	16.9	100.0
Total	89	100.0	100.0	

Table 3 represents the proportion of various designation groups taken for the study.

**Table 4: Comparison of Opinion Based on Age Groups**

Factors of effective 360 degree appraisal	Age groups	Sum of Squares	df	Mean Square	F	Sig.
Proper Planning	Between Groups	.991	2	.495	.573	.566

	Within Groups	74.290	86	.864		
	Total	75.281	88			
effective execution	Between Groups	1.339	2	.669	.817	.445
	Within Groups	70.482	86	.820		
	Total	71.820	88			
Feedback	Between Groups	.025	2	.012	.014	.986
	Within Groups	73.863	86	.859		
	Total	73.888	88			
Motivation	Between Groups	1.200	2	.600	.761	.470
	Within Groups	67.789	86	.788		
	Total	68.989	88			

In Table 4, the P value of proper planning is 0.566 which is more than 0.05. It means that there is no significant difference among the opinion of various age groups. In the case of effective execution, the P value is 0.445, which is more than 0.05 which shows that there is no significant difference among the opinion of various age groups. Feedback shows a P value of 0.986, which is more than 0.05. No significant difference is found among the response of various age groups. For motivation the P value is 0.470, which is greater than 0.05. It means that there is no significant difference among the various age groups.

**Table 5: Comparison of Opinion Based on Experience Groups**

Factors of effective 360 degree appraisal	Experience groups	Sum of Squares	df	Mean Square	F	Sig.
Proper Planning	Between Groups	4.027	2	2.013	2.430	.094
	Within Groups	71.254	86	.829		
	Total	75.281	88			
effective execution	Between Groups	.641	2	.321	.387	.680
	Within Groups	71.179	86	.828		
	Total	71.820	88			
Feedback	Between Groups	.367	2	.183	.214	.807
	Within Groups	73.521	86	.855		
	Total	73.888	88			
Motivation	Between Groups	3.659	2	1.829	2.408	.096
	Within Groups	65.330	86	.760		
	Total	68.989	88			

In Table 5, the P value of proper planning is 0.094 which is less than 0.05. It means that there is significant difference among the opinion of various experience groups. In the case of effective execution, the P value is 0.680, which is more than 0.05 which shows that there is no significant difference among the opinion of various age groups. Feedback shows a P value of 0.807, which is more than 0.05. No significant difference is found among the response of various age groups. For motivation the P value is 0.096, which is less than 0.05. It means that there is significant difference among the various age groups.

**Table 6: Comparison of Opinion Based on Designation Groups**

Factors of effective 360 degree appraisal	Designation groups	Sum of Squares	df	Mean Square	F	Sig.
Proper Planning	Between Groups	1.498	2	.749	.873	.421
	Within Groups	73.783	86	.858		
	Total	75.281	88			
effective execution	Between Groups	.955	2	.478	.580	.562
	Within Groups	70.865	86	.824		
	Total	71.820	88			
Feedback	Between Groups	1.784	2	.892	1.064	.350
	Within Groups	72.104	86	.838		
	Total	73.888	88			
Motivation	Between Groups	2.696	2	1.348	1.749	.180
	Within Groups	66.293	86	.771		
	Total	68.989	88			

In Table 6, the P value of proper planning is 0.421 which is more than 0.05. It means that there is no significant difference among the opinion of various experience groups. In the case of effective execution, the P value is 0.562, which is more than 0.05 which shows that there is no significant difference among the opinion of various age groups. Feedback shows a P value of 0.350, which is more than 0.05. No significant difference is found among the response of various age groups. For motivation the P value is 0.180, which is more than 0.05. It means that there is no significant difference among the various age groups.

#### 8. Suggestions:

Out of the findings of the study it can be suggested that

- The process should be properly planned consulting the head of each department. Along with this the score sheet and the techniques of appraisal must be properly planned.
- The process should encourage the employees to perform better with a proper reward structure therefore; along with the 360 degree appraisal attempt should also be taken to design an effective reward and recognition policy. While designing the reward proper care should be taken to make it attractive for employees of different experience and designations.

#### 9. Managerial Implications:

This study unveils the response of the employees towards 360 degree appraisal. It is aimed to help the practitioners in following regards:

- To update its appraisal aiming towards suitability of the employees.
- To prepare for an appropriate performance review process.
- To effectively link the appraisal outcomes with the reward and recognition policy of the organization.

#### 10. Conclusion:

Human resource management has emerged as a strategic function of the organization. Every decisions and activities of this department has a ripple effect on the entire organization. Organizations strive to adopt better practices to enrich its HR functions. With the growing popularity of 360 degree appraisal process many organizations started adopting it. In this paper, in case of proper planning and motivation, significant differences were found in the responses of the various groups of experience and designation. Therefore, it is well reflected that on size fit for all strategies are no longer required rather than proper tailor made appropriate strategies can be planned up for all the employees. Suggestions are made to update the 360 degree appraisal in order to enhance the effectiveness of this process for a better outcome.

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